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THE MAGAZINE FOR GROWING COMPANIES

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WHAT TOP EXECUTIVES READ

How some of the best business minds get their information

PAGE 64

SPECIAL FEATURE:

THE REAL COST OF CUSTOMER SERVICE

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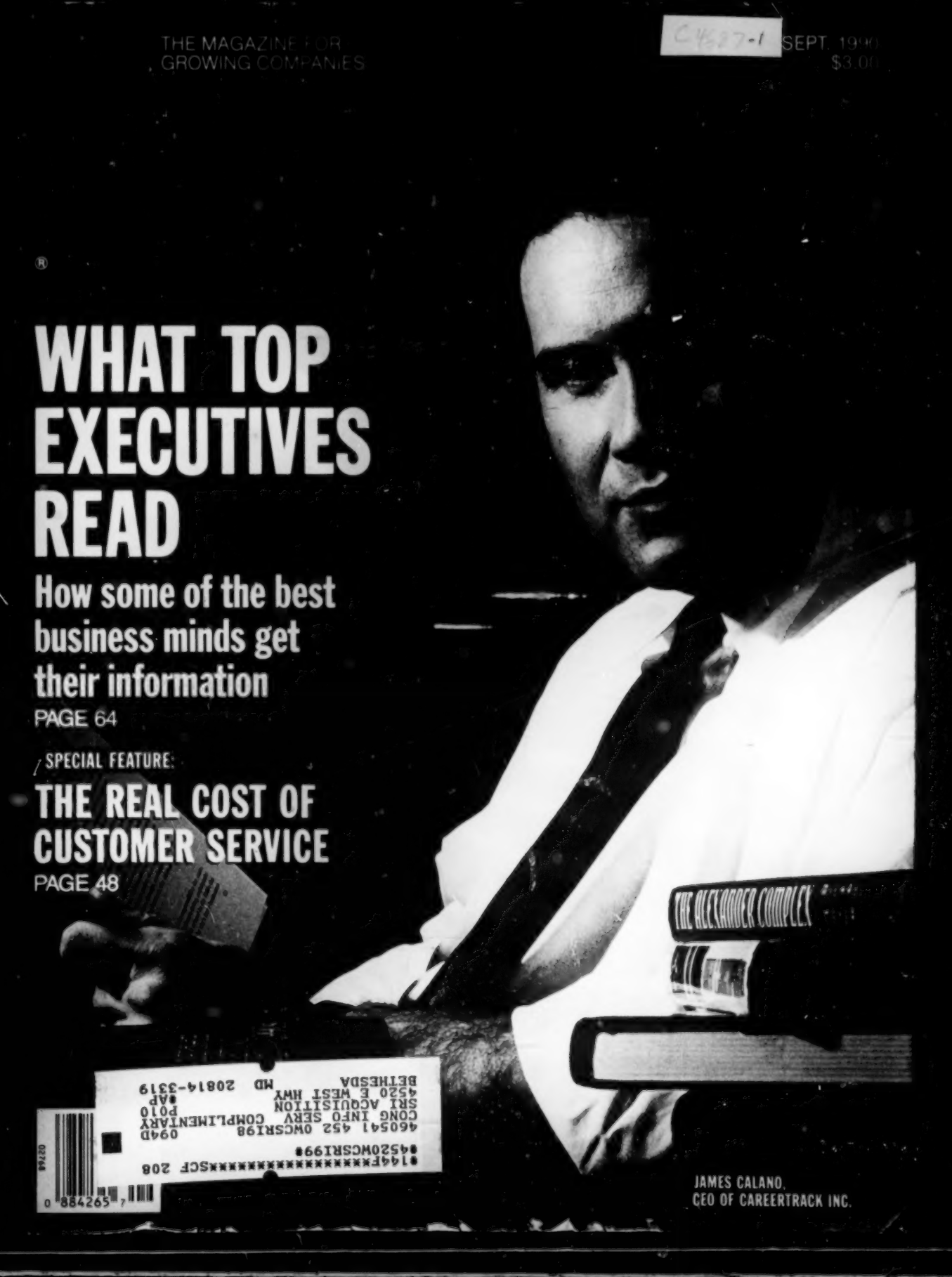

JAMES CALANO,
CEO OF CAREERTRACK INC.

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by
Stephen Collector

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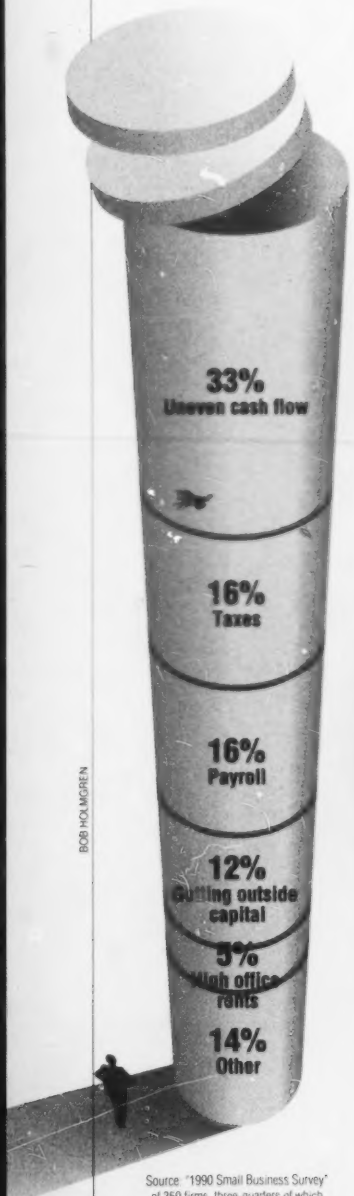
SEPTEMBER 1990 VOL. 12 NO. 9

HANDS ON

A MANAGER'S NOTEBOOK

FINANCE

WHAT IS YOUR GREATEST FINANCIAL OBSTACLE?



BOB HOLMGREN

Source: "1990 Small Business Survey" of 359 firms, three-quarters of which have annual sales of less than $15 million. American Institute of Certified Public Accountants, New York City, 1990.

MARKETING

Are We Having Fun Yet?

"People don't even want to talk about accounting it's so boring," says Yvonne Angelo, cofounder and vice-president of SBT Corp., an accounting-software business in Sausalito, Calif. You need an ice-breaker, she says.

When Angelo's receptionist came to work dressed up for the Fourth of July and customers laughed or stopped to talk to her, Angelo knew she was on to something.

Not every day is a costume party, but Angelo now gives employees at the front desk a stash of cash to buy yo-yos, candy, and assorted toys. The result? Laudatory letters from customers spill in faster, she reports. "If employees are relaxed and having fun," Angelo explains, "it comes across to our dealers." ❑

SBT Corp. vice-president Yvonne Angelo with employees

RESOURCE

ESOP Alternatives

For many companies, employee stock ownership plans just aren't practical or don't fit the corporate culture. So the National Center for Employee Ownership (NCEO) has detailed some substitutes.

From 401(k) plans to valuing a closely held business, *Employee Ownership: Alternatives to ESOPs* covers the bases. The book highlights small to midsize companies' alternative ownership plans and includes financial worksheets, model plans, graphs, and a list of consultants to help you get down to work.

For $25 ($15 for members), it's hours' worth of consulting. Write: NCEO, 2201 Broadway, Suite 807, Oakland CA 94612. ❑

SELLING

Back-Room Solutions

What better way to prove your commitment to customer service than to send your back office, the people who do the hands-on work, off to visit customers to complement your sales force? Shepard Poorman Communications Corp., a $32-million printing company in Indianapolis, routinely sends its typesetters out to meet the editors whose manuscripts they work with daily.

Why bother? "They may not be slick salespeople, but they can solve problems for customers who didn't even know the problems existed," says vice-president for quality Don Curtis. He doesn't keep numbers on how the added investment in travel has paid off, but says customers are grateful, operations are more efficient, and product quality has improved. ❑

BENEFITS

Sick Time or Money

The way most companies set up sick-day policies, there's an incentive for people to take the days, regardless of whether they need them. But Stan Torstenson, founder and CEO of Stan's Lumber Inc., a $20-million building-supply company in Twin Lakes, Wis., rewards his 85 employees for coming to work, provided they can. How? By paying them cash for any of the three paid sick days they don't use.

With lower absenteeism, Torstenson's three stores run more smoothly, he says. "When you have to shift someone from one area of the business to another," he notes, "you don't get the same job done." ❑

CHARTS: ELIOT BERGMAN

TRAINING

Mobile Service

To CEO Bill Buckingham, "Going Mobile" is more than just a song by The Who. It's also a way to broaden his business base. His $2.9-million training and service company, Buckingham Computer Services Inc., recently hit the road with Training Wheels, a 34-foot motor home equipped with six personal computers and a VCR that plays training tapes.

The Midland, Mich.-based company has training labs in four states, but its largest customer—Dow Chemical Co.—operates nationwide. "We're now able to take the training right to them," Buckingham says. "We're now getting business that we'd otherwise lose."

The downside? "It takes some courage to drive the thing," he says. "It's so big." ❑

MEETINGS

Positive Protest

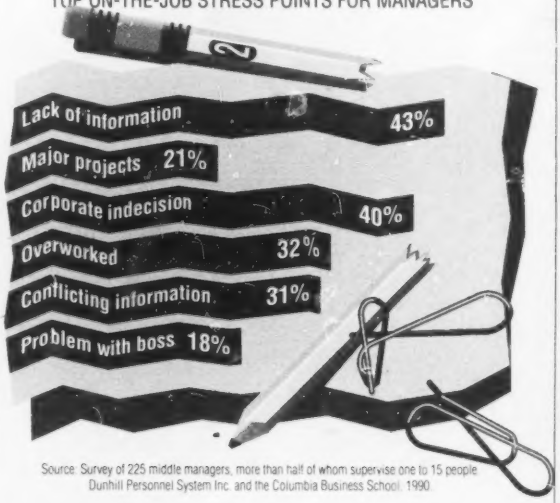
How can you help employees feel more comfortable approaching one another when they're unhappy about something?

Every other month Pat Bruner, president of the two-site T.L.C. Child Care Centers Inc., takes her 22 employees out for a pizza. The first hour is open season for criticism about anything and anybody, including management. Protests range from "You borrowed my supplies without returning them" to "You get too tense when things get crazy." The second hour is devoted to positive comments and finding solutions to issues raised. Out in Green Bay, Wis., the cost of these formal gripe sessions is a measly $35 to $50. ❑

UNPHOTO

WORKPLACE ISSUES

TOP ON-THE-JOB STRESS POINTS FOR MANAGERS



Source: Survey of 225 middle managers, more than half of whom supervise one to 15 people. Dunhill Personnel System Inc. and the Columbia Business School. 1990

INCENTIVES

Tackling Trucking Turnover

Long hauls over the same roads were wearing on veteran drivers at The Daniel Co. of Springfield, a $4.3-million Missouri-based trucking company. The routine was taking its toll on the company, too, with sliding efficiency, employee turnover, and rising costs.

"There wasn't enough of a challenge to be more efficient," says president Larry Daniel. So he told drivers that if they cut their costs, they could keep the change.

Daniel's drivers pocket the savings they rack up by shopping for cheaper fuel, finding shorter routes, and improving their mileage. Some truckers earn as much as $2,500 in annual bonuses. Turnover has been cut by 25% as a result. And with drivers logging fewer miles, Daniel's trucks suffer less wear and tear. ❑

HANDS ON (continued)

Cost cutting on the road conserves money and drivers.

CEO'S READING LIST

The Art of War

by Sun Tzu, transiated by Thomas Cleary, Shambhala Publications Inc., 1988

"The Art of War, written more than 2,000 years ago by a Chinese warrior, is highly militaristic, and its examples are often uncivilized, but it is one of those 200 or so books every business executive should read.

"I have used this and other books to arm my managers for the competitive situations business presents. One lesson: avoid confrontation with a stronger opponent. Digital made this mistake when it tried to take on an IBM stronghold by marketing PC clones. Our company suggested to Digital that it instead fight the battle where it is strong and IBM weak—networks. We developed PC network servers for Digital that are cheaper, faster, and more powerful than IBM PCs.

"My favorite quote from the book is 'Victory can never be won on the battlefield until it is won in the mind of the enemy.' This leads to the book's ultimate lesson—what Sun Tzu calls the 'sheathed sword.' The greatest generals are those who achieve their objectives without fighting.

"Sun Tzu's philosophy should be balanced with more moderate ones. Anyone who totally subscribes to *The Art of War* will frequently win but ultimately may be locked up."

—James Bender, Logicraft Inc., Nashua, N.H.

DILIP CHAUHAN